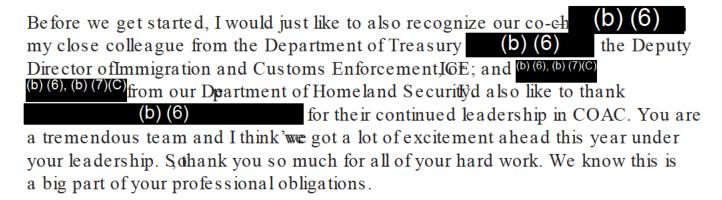
Commercial Customs Operations Advisory Committee (COAC) Meeting March 1, 2017
Washington D.C.

Acting Commissioner Kevin McAleenan

Good morning, and welcome our first COAC of the new administration dmy first COAC as Acting Commissioner'n really looking forward to our conversation and discussions todal hank you, Valarie Neuhart for your work as Acting Director of the Office of Trade Relations almonks toyour staff for organizing our first COAC of this year.



I'd also like to welcom EBP's new Executive Assistant Commissioner for Enterprise Service Kathryn Kolbe, who joined our team in January. She oversees a very broad portfolio at CBP finance, information technologyndour human resources managemenjust to name a few of her responsibilities. Fore she came to DHS, Kathryn served as a Colonel in the Military in the Air Force. Shebrings a tremendous amount of experience and expertise, is sowery lucky to have her Welcome Kathryn!

Since we last met, we seen a transition in our government and welcomed a new administration That includes a new Secretary of Department of Homeland Security General John Kelly. From our engagement with our new leadership, it is very clear that U.S. Customs and Border Protectionre missions counterterrorismborder security and, especially for this group, trade enforcement and facilitation—are going to be major priorities for this President and his team.

We've had the opportunity to brief Secretary Kelly and his staff on our trade efforts. It's clear to me that he is going to be a big supporter of what we ing here with the COAC and what we doing in partnership with the trade community.

We've also had productive, initial engagement with the White House, team including the new National Trade Council led by Director Peter Navarro. We look forward to working with the new Secretary of Commerce confirmed this week, Wilbur Ross, and his team as well.

Throughout this transition, CBP has stayed focused on our ongoing priorities including working closely with the COAEndthe broader trade community. We're going to be working not just on trade enforcement/weuwill continue to coordinate with you on facilitating legitimate trade and pressing forward on our shared prioritie, such as automation and complettof the implementation of ACE. So we anticipate working with you, and with the new administration on a wide range of trade issues touching on all aspecture de, and that includes enforcement as well as facilitation.

Also this week, were recognizing the anniversary of the Trade Facilitation and Trade Enforcement Act of 2015. In fact, last Frichayrkedthe law's first full year Implementing the provisions of the TFTEA, which we do pronounce as word, not justan acronymthat's a Washington tradition remains a top priority for CBP. And our Office of Trade, under the leadership of Executive Assistant Commissioner Brenda Smith, really has made great still thersteam, along with our Office of Field Operation, shas strengthened our trade enforcement posture in response to the authorities we were granted under the Act.

TFTEA directly enhanced the enforcement of antidumping and countervailing duty laws to ensure a level playing field for U.S. companies are implementing the Enforce and Protect Act under TFTEA, which provided authority for CBP to investigate allegations of dumping or countervailing duty evasion. And last October, CBP launched our first EAPA investigation focused on the transshipment of certain wire hangers from China through Thailaildged evasions of the antidumping duty order on steel wire hangers from China expect to have a final determination later this year.

On December's, 2016, CBP implemented electronic filing for EAPA allegations through its revised online e-Allegations web portal, in addition to AD/CVD, CBP continues to enhance our enforcement of laws protecting intellectual property rights and, as strengthened under TFTEA, the prohibition on the importation of goods made with forced labor.

CBP's Trade Enforcement Task Force works closely with partner government agencies, including principally ICE and the Homeland Security Investigations team to focus on detecting and disrupting highlighten file and emerging trade evasion schemes as well as combatting imported goods derived from forced labor.

We continue to make new changes and improvements to our processes and we want to strengthen and streamline our collaboration with partner government agencies. And I look forward to hearing (b) (6) adpening comments on ICE's latest efforts in this area

As noted earlier, our work continues on the Automated Commercial Environment, or ACE, which is also known at U.S. "Single Window". CBP has completed six of seven primary deployments established to achieve core trade processing in ACE. One hundred percent of import manifest, cargo release reporting, and export processing functionality has been deployed.

In addition, more than 85 percent of post release capabilities are now available in ACE, including certain electronic entry summaries and protest capabilities. None of that would have happened without the work of this COAC, its predecessor, the subcommittees, and the number of leaders here in this room. I think we should continue to acknowledge that. It has been an incredible partnership.

In terms of work on remaining core trade processes and capabilitie primary deployment remains and that's the deployment of post release capabilities. Based on stakeholder feedback and the complexity of the testing involved, we postponed the January 14 deployment of post release capabilities whow. But we are aggressively continuing the integration and testing needed for this deployment. And we are committed to ensuring a smooth transition of the remaining post release capabilities in complex antiquidation, drawback, reconciliation, duty deferral, collections, statements, and the Automated Surety

Interface. So there are a number of things left to deliver on, but we mmitted to doing so.

We will publish the rescheduled deployment destea Federal Register Notice at least 30 days in advance of the actual deployment and mandatory transition. And we're going to make sure that we ready before we do that.

At the same time, while we work to complete the final deployment of core processing capabilities in ACE, we continue to prioritipost-core development initiatives. These priorities includetruck refactoring, drawback simplification pursuant to TFTEA, and Court of International Trade requirements.

We will determine additional post-core priority through future collaboration with CBP stakeholders, our PGAs, and, of course, COAC and members of the trade community. So we are going to seek your collaboration—our trade partners canhelp us by quantifying and articulating the trade benefit of desired CBP trade program enhancement initiatives, including those requiring automation, especially those that require partnership with our PGAs.

So we have a busy schedule to dayne that I think reflects lot of great progress that we've made thus far. And I expect that' we on tinue to make this progress together.

We've been talking about opportunities with the new administrational team coming on-boardWe're boking at their priority initiatives, and making sure that our COAC work aligns with that. I look forward to working with the co-chairs and team in the coming COACs to ensure that we fully aligned and we can make the best progress together and provide the best advice. So I look forward to that partnership.

One item that I would like to note as I wrap up my remisrkhat the 2017 West Coast Trade Symposium will be on May 1245th in Scottsdale, Arizona'th looking forward to joining folks again out Westnot all the way out west, but close! I think it will be a great opportunity to get together and check how we are doing on our progress and make surerwaligned and moving forward together.

(b) (6), (b) (7)(C) team will come out withmore details very sooil want to thank everybody for being here today alinh grateful forthe continued hard work of this COAC team. And with that, d like to turn it over to (b) (6) from ICE.

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